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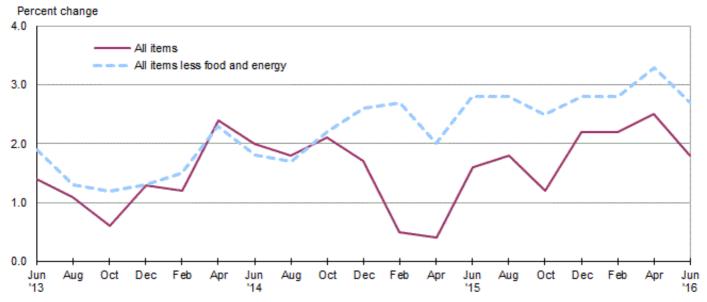
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# Consumer Price Index, Seattle area — June 2016 Area prices were up 0.9 percent over the past two months, up 1.8 percent from a year ago

Prices in the Seattle Area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), rose 0.9 percent for the two months ending in June 2016, the U.S. Bureau of Labor Statistics reported today. (See <u>table A.</u>) Assistant Commissioner for Regional Operations Richard Holden noted that the June increase was influenced by higher prices for shelter and gasoline. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U advanced 1.8 percent. (See <u>chart 1</u> and <u>table A</u>.) Energy prices declined 7.2 percent, largely the result of a decrease in the price of gasoline. The index for all items less food and energy advanced 2.7 percent over the year. (See <u>table 1</u>.)

Chart 1. Over-the-year percent change in CPI-U, Seattle, June 2013-June 2016



Source: U.S. Bureau of Labor Statistics.

### Food

Food prices decreased 0.2 percent for the two months ending in June. (See <u>table 1</u>.) Prices for food at home declined 0.6 percent, but prices for food away from home advanced 0.4 percent for the same period.

Over the year, food prices increased 1.0 percent. Prices for food away from home increased 3.3 percent since a year ago, but prices food at home decreased 0.8 percent.

## **Energy**

The energy index advanced 7.4 percent for the two months ending in June. The increase was mainly due to higher prices for gasoline (13.9 percent). Prices for natural gas service rose 3.5 percent, and prices for electricity advanced 0.8 percent for the same period.

Energy prices declined 7.2 percent over the year, largely due to lower prices for gasoline (-12.6 percent). Prices paid for natural gas service fell 12.4 percent, but prices for electricity increased 4.3 percent during the past year.

## All items less food and energy

The index for all items less food and energy increased 0.6 percent in the latest two-month period. Higher prices for recreation (2.1 percent), other goods and services (1.9 percent), and shelter (1.5 percent) were partially offset by lower prices for apparel (-2.5 percent) and education and communication (-1.0 percent).

Over the year, the index for all items less food and energy advanced 2.7 percent. Components contributing to the increase included shelter (5.3 percent) and recreation (4.0 percent). Partly offsetting the increases was a price decline in household furnishings and operations (-1.8 percent).

Table A. Seattle-Tacoma-Bremerton CPI-U bi-monthly and annual percent changes (not seasonally adjusted)

	2011		2012		2013		2014		2015		2016	
Month	Bi- monthly	Annual										
February	1.2	1.5	0.4	2.7	0.8	1.8	0.7	1.2	0.2	1.1	0.2	2.2
April	0.8	2.1	0.9	2.9	0.4	1.2	1.6	2.4	0.9	0.4	1.1	2.5
June	0.8	3.2	0.7	2.7	0.8	1.4	0.4	2.0	1.6	1.6	0.9	1.8
August	0.2	2.7	0.3	2.7	0.0	1.1	-0.2	1.8	0.0	1.8		
October	0.9	3.8	0.5	2.3	0.0	0.6	0.3	2.1	-0.3	1.2		
December	-0.5	3.5	-1.4	1.4	-0.7	1.3	-1.1	1.7	-0.2	2.2		

The August 2016 Consumer Price Index for the San Francisco-Oakland-San Jose is scheduled to be released on September 16, 2016 (PDT).

#### **Technical Note**

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 26,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at <a href="www.bls.gov/cpi">www.bls.gov/cpi</a> and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at <a href="www.bls.gov/opub/hom/homch17">www.bls.gov/opub/hom/homch17</a> a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE:Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.** 

The Seattle-Tacoma-Bremerton, WA. metropolitan area covered in this release is comprised of Island, King, Kitsap, Pierce, Snohomish, and Thurston Counties in the State of Washington.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Seattle-Tacoma-Bremerton, WA (1982-84=100 unless otherwise noted)

		Indexes		Percent change from-			
Item and Group	Apr. 2016	May 2016	Jun. 2016	Jun. 2015	Apr. 2016	May 2016	
Expenditure category							
All items	253.815	-	256.098	1.8	0.9	-	
All items (1967=100)	773.727	-	780.686	-	-	-	
Food and beverages	260.868	-	260.551	1.2	-0.1	-	
Food	263.753	-	263.260	1.0	-0.2	-	
Food at home	248.481	247.308	246.919	-0.8	-0.6	-0.2	
Food away from home	287.560	-	288.625	3.3	0.4		
Alcoholic beverages	226.685	-	228.167	3.5	0.7		
Housing	283.368	-	286.980	4.3	1.3		
Shelter	319.450	323.252	324.367	5.3	1.5	0.3	
Rent of primary residence (1)	323.890	325.611	327.301	6.3	1.1	0.5	
Owners' equiv. rent of residences (1) (2)	335.421	336.595	337.863	5.6	0.7	0.4	
Owners' equiv. rent of primary residence (1) (2)	335.421	336.595	337.863	5.6	0.7	0.4	
Fuels and utilities	257.202	-	259.847	1.7	1.0		
Household energy	234.623	236.496	237.334	0.8	1.2	0.4	
Energy services (1)	280.747	282.659	284.455	1.4	1.3	0.6	
Electricity <sup>(1)</sup>	305.375	307.912	307.913	4.3	0.8	0.0	
Utility (piped) gas service (1)	161.753	161.753	167.494	-12.4	3.5	3.5	
Household furnishings and operations	172.377	-	171.320	-1.8	-0.6	-	
Apparel	134.739	_	131.385	2.7	-2.5	-	
Transportation	207.900	-	213.462	-5.2	2.7		
Private transportation.	212.632	_	218.679	-4.6	2.8		
Motor fuel	254.339	275.098	289.984	-12.6	14.0	5.4	
Gasoline (all types)	259.919	281.061	296.114	-12.6	13.9	5.4	
Gasoline, unleaded regular <sup>(3)</sup>	281.662	304.670	321.502	-13.3	14.1	5.5	
Gasoline, unleaded midgrade (3) (4)	203.838	223.208	231.749	-12.1	13.7	3.8	
Gasoline, unleaded premium (3)	241.280	259.788	271.978	-9.8	12.7	4.7	
Medical care	390.089		387.674	-	-0.6		
Recreation (5)	97.501	_	99.531	4.0	2.1	_	
Education and communication (5)	140.259	_	138.846	0.6	-1.0		
Other goods and services.	392.218	-	399.633	1.0	1.9		
Commodity and service group							
All items.	253.815	-	256.098	1.8	0.9		
Commodities	186.955	-	188.021	-1.6	0.6		
Commodities less food & beverages	150.674	_	152.295	-3.6	1.1		
Nondurables less food & beverages	175.409	_	180.586	-4.0	3.0	_	
Durables	125.055	_	123.523	-3.0	-1.2		
Services	316.072	-	319.499	3.7	1.1		
Special aggregate indexes							
All items less medical care	247.657	_	250.163	1.8	1.0		
All items less shelter	228.842	-	230.115	-0.1	0.6		
Commodities less food.	153.869	-	155.489	-3.3	1.1		
Nondurables	216.307	-	218.898	-1.1	1.2		
Nondurables less food.	179.684	_	184.598	-3.3	2.7		
Services less rent of shelter (2)	319.683	_	321.393	1.7	0.5		
Services less medical care services.	307.596	_	311.431	3.8	1.2		
Energy	251.271	262.272	269.882	-7.2	7.4	2.9	

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Seattle-Tacoma-Bremerton, WA (1982-84=100 unless otherwise noted) - Continued

		Indexes		Percent change from-			
Item and Group	Apr. 2016	May 2016	Jun. 2016	Jun. 2015	Apr. 2016	May 2016	
All items less energy			258.072 257.436		0.5 0.6	-	

<sup>(1)</sup> This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means

NOTE: Index applies to a month as a whole, not to any specific date.

<sup>(2)</sup> Index is on a November 1982=100 base.

<sup>(3)</sup> Special index based on a substantially smaller sample.

<sup>(4)</sup> Indexes on a December 1993=100 base. (5) Indexes on a December 1997=100 base.

<sup>-</sup> Data not available